



WASHINGTON STATE
GAMBLING COMMISSION

Field Operation Rule Interpretation

Question: What restrictions are there on distributing funds from a discontinued house banked card game with a progressive jackpot?

CITE: WAC 230-40-805(3) Removing a jackpot from play

SUMMARY

Issue:

A house banked card room is discontinuing a card game with a progressive jackpot. The license is allowed one of the three options listed below to disburse the jackpot funds under WAC 230-40-805. The operator must have written approval from the director or designee for their plan.

- Offer the prize on a different house banked game
- Offer the prize through a tournament with all funds disbursed within 60 days
- Donate the money to the Washington State Council on Problem Gambling

Common questions are:

- Are there restrictions on what type of house banked games the jackpot funds can be transferred to?
- If a tournament is used is a buy-in required or can a fee be charged to enter?

Reasoning:

WAC 230-40-805(3) states requirements for removing all or a portion of a portion of a progressive jackpot from play. The funds in these jackpots that have been advertised or displayed in any manner are deemed to be funds the players have a vested interest in. This rule was established to provide a means for an operator to disburse this "vested" jackpot money, not as a means to raise additional revenue for the card room. For this reason the funds must be given away in a free tournament or transferred to another jackpot game where it is again available to the players. The donations option is allowed for circumstances where giving the money out with one of the other two options isn't feasible or practical.

Decision:

1. Are there restrictions on what type of house banked games the jackpot funds can be transferred to? Yes. Progressive jackpot funds may only be transferred to other house banked card games with progressive jackpots.
2. If a tournament is used to distribute progressive jackpot funds can a fee be charged to enter or a buy-in required? No. Entry into the tournament must be free without a fee or buy-in.

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